

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 945 - HB 1825

March 16, 2009

SUMMARY OF BILL: Requires teachers who achieve certification by the National Board of Professional Teaching Standards (NBPTS) to receive an annual \$4,000 salary supplement.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$1,008,000/FY09-10
\$2,440,000/FY10-11**

Decrease Local Expenditures – Exceeds \$100,000/Permissive

Other Fiscal Impact – Program maturity is estimated to be reached when 15 percent of all teachers who are not currently receiving a payment receive their certification. Total increase at program maturity is estimated to be \$37,620,000 in state expenditures.

Assumptions:

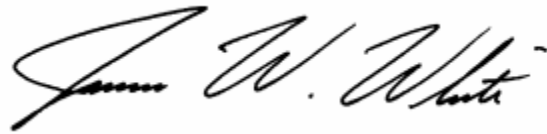
- The state will incur all costs for supplemental payments.
- There are 252 NBPTS certified active teachers in Tennessee. Each of these will receive a \$4,000 supplement in FY09-10. Total payments for existing NBPTS personnel will be \$1,008,000.
- There are 63,076 active teachers in Tennessee. This includes 2,100 school counselors who would be eligible to apply for NBPTS certification since they teach at least 50 percent of the time. Approximately 62,700 would be eligible to apply (63,038 – 338).
- There is a similar pay supplement program in North Carolina. Based on data from that program and current state trends the Department of Education estimates, approximately 1.5 percent of eligible personnel (941) will pursue this certification annually and 15 percent will receive the payment at program maturity.
- According to the National Board, approximately 38 percent of applicants (358) receive their certification within 12 months.

SB 945 - HB 1825

- Increase in state expenditures for new supplemental payments FY10-11 will be approximately \$1,432,000 (358 x \$4,000). Total increase in state expenditures in FY10-11 will be approximately \$2,440,000 (\$1,008,000 + \$1,432,000).
- Full program maturity at 15 percent will be an estimated 9,405 certified teachers and total payments of \$37,620,000 (9,405 x \$4,000)
- Currently, some local education agencies are paying supplements for NBPTS certification. These supplements range from \$1,000 to \$10,000. These LEAs may discontinue their payments, resulting in a permissive decrease in local expenditures exceeding \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a large initial "J" and a stylized "W".

James W. White, Executive Director

/msg